

**ADMINISTRATIVE RULES – FISCAL ESTIMATE**

**1. Fiscal Estimate Version**

Original    Updated    Corrected

**2. Administrative Rule Chapter Title and Number**

HFS 144, Immunization of Students

**3. Subject**

To revise ch. HFS 144, relating to pneumococcal conjugate vaccine; tetanus toxoid, reduced diphtheria toxoid and acellular pertussis vaccine; and second dose varicella vaccine requirements for students.

**4. State Fiscal Effect:**

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   May be possible to absorb within agency's budget.
		<input type="checkbox"/> Decrease Costs

**5. Fund Sources Affected:**

GPR    FED    PRO    PRS    SEG    SEG-S

**6. Affected Ch. 20, Stats. Appropriations:**

**7. Local Government Fiscal Effect:**

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Decrease Costs

**8. Local Government Units Affected:**

Towns    Villages    Cities    Counties    School Districts    WTCS Districts    Others:

**9. Private Sector Fiscal Effect (small businesses only):**

<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Revenues	<input checked="" type="checkbox"/> Increase Costs
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   May have significant economic impact on a substantial number of small businesses
	<input type="checkbox"/> Yes <input type="checkbox"/> No   May have significant economic impact on a substantial number of small businesses	<input type="checkbox"/> Decrease Costs

**10. Types of Small Businesses Affected:**

Day care centers

**11. Fiscal Analysis Summary**

This rulemaking requires pneumococcal conjugate vaccine (PCV), a new formulation of diphtheria, tetanus and pertussis (whooping cough) vaccine (Tdap), and a second dose of varicella (chickenpox) vaccine for students. The vaccines the Department provides upon request and without charge to local health departments and private health care providers is purchased by the Department with a line of credit provided by the federal government's Centers for Disease Control and Prevention (CDC) or with GPR funds under s. 20.43(1)(cm), Stats. Section 20.43(1)(cm), Stats., authorizes the Department to expend an amount that is equal to the difference between the statutory limit of a \$9,000,000 sum sufficient appropriation and the amount of funding the Department receives for the federal Vaccines for Children Program (VFC) and Section 317 of the Public Health Service Act. VFC funds are sum sufficient. Federal 317 funds are not guaranteed to meet actual need but have been sufficient to cover the vaccine costs associated with the Department's implementation of previous vaccine requirements. The total estimated cost for vaccine to implement the proposed requirements in the 2008-09 school year is \$22

million; the possible annual cost to the state, in the unlikely event that no 317 funds are available, is \$3.6 million. The following assumptions were used to estimate costs:

- PCV: The vaccine costs \$73.70 in the private sector and \$57.59 in the public sector; 85% of children have already received PCV vaccine; 50% of children are enrolled in a day care center; 5% of students' parents will elect to waive the requirement. Thus, of a total annual cohort of 359,000 0-4 year olds, 25,500 students will require vaccine. Private providers will pay 59% of the vaccine cost (\$1.6 million); the federal VFC Program will pay 21% of the vaccine cost (\$434,000); and federal 317 funds or GPR funds will pay 19% of the vaccine costs (\$392,000).
- Tdap Vaccine: The vaccine costs \$36.84 in the private sector and \$30.75 in the public sector; 20% of the cohort of 6<sup>th</sup>, 9<sup>th</sup> and 12<sup>th</sup> grade students has already been vaccinated; 5% of the students' parents will elect to waive the requirement. Thus, of a total annual cohort of 228,000 students, 182,000 will require vaccine. Private providers will pay 59% of the vaccine cost (\$3.8 million), the federal VFC Program will pay 21% of the vaccine cost (\$1.1 million, and federal 317 funds or GPR funds will pay 19% of the vaccine costs (\$1 million).
- Second Dose Varicella Vaccine: The vaccine costs \$71.11 in the private sector and \$56.90 in the public sector; 3% of the cohort of kindergarteners, 6<sup>th</sup> and 12<sup>th</sup> grade students has already had chickenpox; 5% of the students' parents will elect to waive the requirement. Thus, of a total annual cohort of 223,000 students, 205,000 will require vaccine. Private providers will pay 59% of the vaccine costs (\$8.6 million); the federal VFC Program will pay 21% of the vaccine costs (\$2.5 million); and federal 317 funds or GPR funds will pay 19% of the vaccine costs (\$2.2 million).

The rule changes will not affect the expenditures or revenues of local county and city health departments. Local health departments are responsible under s. HFS 144.08 for making available the required immunizations but only insofar as free vaccines are available from the Department. Local health departments are to administer the vaccines without charging for the vaccines but they may charge, and some do charge, for the costs of administration.

The rule changes may increase costs for schools and for district attorney or corporation counsel offices. Schools, including day care centers, will experience some increase in workload tracking compliance with the new requirements, reporting compliance to the Department and referring noncompliant students to the district attorney or corporation counsel for enforcement action. It is not know how much workload will increase, or its impact, if any on costs. However, since 85% of children in Wisconsin have already received PCV, the vast majority of day care center students will be compliant with the requirement when it takes effect and will not require warning letters or enforcement action. Additionally, the tracking and reporting burden on day care centers has been mitigated by requiring fewer than the maximum possible number of doses of PCV. Day care centers for many years have been checking for compliance with required immunizations for school entry. This is part of the system for protecting children against diseases that are preventable through administration of approved vaccines.

This rulemaking also removes outdated language, adds clarifying language and permits the Department to suspend a vaccine requirement in the event of a vaccine shortage. These changes carry no fiscal effect. Vaccine shortages are impossible to predict and any savings that resulted from the suspension of a requirement would be spent when the requirement resumed.

---

## 12. Long-Range Fiscal Implications

---

The vaccination requirement phase-in period will take 3 years for Tdap and 6 years for the second dose of varicella, beginning in the 2008-09 school year. The phase-in strategy for both vaccines initiates requirements at 3 grade levels and advances requirements by 2 grade levels annually. Advancing requirements has little effect on costs, since most students will have received the required vaccines in the year they were required. The estimate of how many students will need vaccine in the succeeding years of the requirements is based on the average domestic net migration to Wisconsin, which was considerably less than 1% in 2004. The total estimated costs for vaccine to implement these proposed requirements in the school years following the 2008-09 school year, (and the possible but unlikely annual cost to the state), are as follows: 2009-10: \$22 million (\$3.6 million); 2010-11: \$22 million (\$3.6 million); 2011-12: \$18 million (\$3 million); 2012-13: \$18 million (\$3 million); 2013-14: \$18

million (\$3 million). After the phase-in period is complete, the total ongoing vaccine costs of these requirements (and the the possible but unlikely annual cost to the state) will be \$8.9 million (\$1.2 million).

13. Name - Prepared by Marjorie Hurie	Telephone Number 608-264-9892	Date 06/20/07
14. Name – OSF Analyst Reviewer Ellen Hadidian/Donna Moore	Telephone Number 608-266-8155	Date 8/8/07
Signature – DHFS Secretary or Designee	Telephone Number	Date